May 19, 2005

Mary L. Cottrell, Secretary
MA Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 05-12

Dear Ms. Cottrell:

Enclosed please find Bay State Gas Company's ("Bay State" or "Company") response to the Massachusetts Department of Telecommunications and Energy's ("Department") information requests DTE 1-2 through 1-10 from Set 1, issued on May 5, 2005, in the above-referenced docket.

As noted in the Company's response to DTE 1-10, enclosed please also find a compact disc including electronic copies of all documents associated with this filing.

Please date-stamp a copy of this letter for our files, and return in the enclosed envelope. Also, please feel free to contact me at (508) 836-7254 should you have any questions concerning this filing.

Sincerely,

Thomas R. Birmingham
Manager, Regulatory Policy

cc: Jody M. Stiefel, Hearing Officer (3 copies)
Colleen McConnell, Assistant Attorney General
Charles Harak, Counsel for UWUA

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE D.T.E.

D.T.E. 05-12

Date: May 19, 2005

Responsible: Thomas R. Birmingham

DTE 1-2 Please detail the internal audits that have been conducted to assure the accuracy of Company data. If internal audits have not been performed, explain whether the Company plans to perform such audits.

RESPONSE: Please see Attachment DTE 1-1, which includes the findings and recommendations of the Company's most recent internal audit for each of those respective measures.

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DTE 1-3 For each of the SQ penalty measures, please detail the initiatives the Company has implemented during 2004 to improve its performance.

RESPONSE: 1) TSF 30 Seconds - Non-Emergency

In January 2004, the Company installed CTI technology, which is a software program that allows a customer's account information to "pop-up" on the computer screen at the same time a call is answered by a Contact Center Representative ("CSR"). Because call handle time is expedited, more calls can be processed by the Springfield Contact Center ("Contact Center") thus improving CSR productivity, the Center's Average Speed of Answer (ASA") and Telephone Service Factor ("TSF") performance.

In March 2004, the Company installed new voice recording technology manufactured by NICE that records all calls handled in the Contact Center. The new recording technology greatly enhanced and improved the Quality Assurance ("QA") continuous improvement process. This system allows for a screen capture of each screen accessed by the CSR while engaged in handling a call, enabling the QA analyst to review the steps taken by the CSR while grading the call. The call grading process is used for training purposes and feedback and has improved the quality of customer interactions taking place in the Contact Center.

In August 2004, the Company installed Virtual Hold. This technology allows a customer the option of ordering a return call as opposed to waiting in the queue for additional time. The service is activated at 1:45 seconds of wait time and customers are taking advantage of its availability. The return call is made at the same time the call would have been answered in the queue. This leads to an improved ASA and TSF as well as customer satisfaction and a potential reduction in abandoned calls.

On an ongoing basis, Bay State consistently hires and trains CSR's to maintain the level of Full Time Equivalents ("FTEs") needed to operate the center at optimum capacity. In addition, monthly meetings are held to forecast capacity and demand requirements, which enable us to look

ahead to predict daily and monthly call volumes to ensure that we are staffed appropriately. Feedback from all departments within the Company is captured in the monthly meetings and used to create forecasts and scheduling requirements.

Lastly, in the later half of 2004, the Company revised the attendance policy that resulted in a significant reduction in absenteeism in the Contact Center. This policy change made a significant impact in enabling us to meet our SQI goals.

All of these initiatives helped contribute to the highest annual TSF 30 Seconds – Non-Emergency performance since the Company began tracking this service quality measure in 1998.

2) TSF 30 Seconds – Emergency

In August 2004, the Company revised the way Emergency Calls are handled and began directing all Emergency calls to the Contact Center during the hours that the Center is open. Prior to that time, the Emergency calls were handled in our Dispatch Center located in our Brockton Division. This change enabled the Company to have more resources available to answer these calls and achieve a level of consistency in the call handling process. When our Emergency telephone number is dialed, the call is directed to the Emergency Call queue. The Emergency Call queue has priority over all other queues existing in the Center and these calls are answered by the first available agent. This initiative resulted in an improved ASA and TSF on this measure as well as improved customer satisfaction.

The Brockton Dispatch Center continues to handle Emergency calls when the Springfield Contact Center is not open.

3) Same Day Appointments

Although no new initiatives were undertaken during 2004, which directly affected Bay State's Same Day Appointments performance, Bay State's Logistics (i.e., Brockton Dispatch) and Scheduling Departments continued to review and discuss staffing plans and area coverage with the Field Operations Departments to ensure appropriate staffing levels and placements, resulting in optimal response times at all times. The Company also continued having all Field Technicians trained in Leak Response to ensure maximum resources are available.

4) On-Cycle Meter Reading

During 2004, the Company continued it's automatic meter reading ("AMR") deployment in the field. The increased number of AMRs results in more meters being billed to an actual read each month and fewer estimated bills being mailed. Thus, this initiative results in improved customer satisfaction and billing accuracy.

This initiative helped contribute to the highest annual on-cycle meter reading performance since the Company began tracking this service quality measure in 1993.

5) Consumer Division Cases

During 2004, the Company continued to perform root cause analysis on each reported customer complaint. As a result, issues that lead to consumer complaints are identified early on and steps are taken to minimize future consumer complaints of the same nature. The Company also ensures that each case charged to the Company meets the definition of a "case" as described in D.T.E. 99-84. When it is discovered that the criteria is not met, a consultation with the Department's representative takes place and in most instances, there is mutual agreement that the case is removed for SQ purposes. The Department has also improved it's own process by screening complaint lists before they are forwarded to the Company.

The continued use of these practices helped contribute to the lowest number of Consumer Division Cases since the Company began tracking this service quality measure in 1992.

6) Billing Adjustments

The steps taken in (4) and (5), above, have helped continue to reduce both the number and amounts of Billing Adjustments in 2004 versus previous years.

All of these initiatives helped contribute to the lowest annual Billing Adjustment per 1,000 customers since the Company began tracking this service quality measure in 1992.

7) Lost Time Accident Rate

During 2004, a Company-specific ergonomics program was developed for field operations personnel. The program identified potential causes of musculoskeletal injuries and provided solutions and suggestions for improvements to work practices.

In addition, a Company-specific training program was developed and delivered to all field operations employees. Additional equipment was purchased that eliminated manual aspects of labor activities. A fleet vehicle specification team was also developed to identify and incorporate design improvements that would reduce injuries. A safety supply catalog was developed and distributed to employees with new personal protective equipment. Having the catalog available helped to improve communication regarding the type of equipment available for employees and facilitated ordering.

Further, an Environmental Health and Safety Management System was developed and implemented for environmental health and safety. The system was certified under the ISO 14001 standard for environmental management systems. This system provides a systematic approach to the identification of hazards, development of goals for improvements, implementation of these goals, and periodic review by EHS and top management.

All of these initiatives helped contribute to the lowest annual Lost Time Accident Rate since the Company began tracking this service quality measure in 1995.

8) Odor Calls Responded To In One Hour

Although no new initiatives were undertaken during 2004, which directly affected Bay State's consistently high Odor Calls Responded To In One Hour performance, Bay State's Logistics (i.e., Brockton Dispatch) and Scheduling Departments continued to review and discuss staffing plans and area coverage with the Field Operations Departments to ensure appropriate staffing levels and placements, resulting in optimal response times at all times. The Company also continued having all Field Technicians trained in Leak Response to ensure maximum resources are available, and conducting root cause analysis when an odor call has a response time in access of the 60-minute goal to determine if process changes are necessary.

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DTE 1-4 For each of the SQ penalty measures, please detail any conditions under which the Company operated during 2004 that may have influenced the results the Company achieved.

RESPONSE: The Company is unaware of any unusual conditions occurring during 2004 that would have influenced the 2004 results.

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DTE 1-5 Refer to the Company's Filing, Section Two at 4, regarding Staffing Levels. Please recalculate the mean and standard deviation taking into account the period 1993-2002.

RESPONSE: Please see Attachment DTE 1-5, Columns N and O for the requested information.

Attachment DTE 1-5

SUMMARY BSG STAFFING HISTORY 1/
FULL TIME AND PART TIME REGULAR EMPLOYEES
DECEMBER 31, 1993 TO DECEMBER 31, 2004

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Mean 2/	Revised Mean 4/	Standard Deviation 4/
BSG Total Full-time FTEs	889	887	900	875	789	815	782	735	671	532	504	545	744	788	117
BSG Total Part-time FTEs	-	41	26	-	44	46	25	22	19	12	23	23	23	24	17
Total BSG FTEs 3/	889	928	926	875	833	861	807	757	690	544	527	568	767	811	120

Notes:

1/ These statistic exclude Northern Utilities, Granite State Gas Transmission and temporary employees as well as work that was outsources to third party vendors.

2/ The mean is calculated using all available data reported by category.

3/ Reported staffing levels ending 12/31/00 through 12/31/04 neither reflect employees who still work for Bay State and are now NiSource Corporate Service employees, nor positions that were eliminated at Bay State and now are performed in other locations.

4/ The mean and standard deviations are calculated using the years 1993 - 2002.

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DTE 1-6 Please explain how the Company calculates the number of responses to Odor Calls. Specifically, if the Company receives more than one call regarding the same odor source, does the Company count this as one call or as multiple calls?

RESPONSE: It is Bay State's practice to create a work order for each call that comes into the Emergency Leak Line - each work order is assumed to be a separate leak. The Company is unable to make the determination that each call is associated with the same leak (or release of odorant) until it arrives on-site to investigate the cause of the call. If Bay State determines that multiple calls are associated with the same leak (or release of odorant), then it may cancel any outstanding duplicate work orders, but this is done on a case-by-case basis as circumstances warrant.

For example, Bay State occasionally has multiple odor calls when it is doing odorant-related work at given gate station. This type of work may generate several leak calls. Bay State will generally investigate each call even though the Company expects the common source to be related to the work being done at the gate station, unless it is satisfied that there is in fact a common source, and any outstanding duplicate work orders within the vicinity of the gate station are cancelled.

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DTE 1-7 Please refer to the Company's filing, Section Two, at 2.

(a) Provide the "Summary-BSG Capital Spending History" Table using constant dollar.
(b) Calculate the annual growth of "Capital Investment Completed" and "Replacements" and "Other Operations".

RESPONSE: (a) Please see Attachment DTE 1-7(a). Page 1 of this attachment provides a summary of the capital spending history inflated by the GDP-PI to show constant dollars. Pages 2 – 13 of this attachment provide the backup calculations for each year's worth of inflated capital spending.

(b) Please see Attachment DTE 1-7(b). This attachment provides a summary of the Annual % Change From The Previous Year's Capital Investment Completed.

The Company notes that its total capital and replacement capital expenditures are driven on a year to year basis by a number of factors, including: (1) changes in regulatory requirements (e.g., an increased focus on the replacement of small diameter cast iron pipe), (2) the amount of municipal and state road reconstruction work happening in a given year, and (3) the need to replace facilities or systems that have reached the end of their useful lives, which can often be unpredictable and in an inconsistent fashion. Accordingly, it is Bay State's practice to spend capital dollars when it needs to spend these dollars, and these needs change from year to year and over time.

SUMMARY - BSG CAPITAL SPENDING HISTORY
INFLATED TO SHOW CONSTANT DOLLARS

	Capital Investment Completed	Capital Investment Related to System Maintenance Completed	
		Replacements	**Other Operations**
2004	$36,629,575	$15,421,895	$1,261,053
2003	$28,223,395	$7,961,063	$887,810
2002	$31,390,516	$7,325,738	$913,097
2001	$32,093,049	$8,831,386	$1,594,719
2000	$36,536,034	$9,140,669	$385,011
1999	$74,884,902	$11,303,134	$15,299,878
1998	$43,626,547	$11,649,844	$2,491,624
1997	$51,259,628	$11,545,970	$4,902,026
1996	$41,438,368	$8,908,316	$2,762,944
1995	$47,279,949	$7,811,148	$3,899,165
1994	$49,593,281	$14,008,051	$3,278,300
1993	$59,435,073	$15,895,555	$3,736,297

Row No.	A Year	B Capital Investment Completed	C Capital Investment Related to System Maintenance Completed Replacements	D Capital Investment Related to System Maintenance Completed Other Operations	E Annual Inflation Factor (GDPPI) 1/	F Inflated Capital Investment Completed	G Inflated Capital Investment Related to System Maintenance Completed Replacements	H Inflated Capital Investment Related to System Maintenance Completed Other Operations
1	1993 - Actual	$48,509,355	$12,973,537	$3,049,468	NA	NA	NA	NA
2	1993 Inflated By 1994 GDPPI				1.021	$49,538,375 2/	$13,248,742 3/	$3,114,156 4/
3	1994 Inflated By 1995 GDPPI				1.020	$50,553,674 5/	$13,520,278 6/	$3,177,981 7/
4	1995 Inflated By 1996 GDPPI				1.019	$51,510,799 5/	$13,776,255 6/	$3,238,149 7/
5	1996 Inflated By 1997 GDPPI				1.017	$52,364,748 5/	$14,004,639 6/	$3,291,832 7/
6	1997 Inflated By 1998 GDPPI				1.011	$52,946,487 5/	$14,160,222 6/	$3,328,402 7/
7	1998 Inflated By 1999 GDPPI				1.014	$53,710,980 5/	$14,364,681 6/	$3,376,460 7/
8	1999 Inflated By 2000 GDPPI				1.022	$54,881,044 5/	$14,677,607 6/	$3,450,015 7/
9	2000 Inflated By 2001 GDPPI				1.024	$56,199,287 5/	$15,030,163 6/	$3,532,884 7/
10	2001 Inflated By 2002 GDPPI				1.017	$57,129,521 5/	$15,278,949 6/	$3,591,362 7/
11	2002 Inflated By 2003 GDPPI				1.018	$58,175,553 5/	$15,558,704 6/	$3,657,119 7/
12	2003 Inflated By 2004 GDPPI				1.022	$59,435,073 5/	$15,895,555 6/	$3,736,297 7/

NOTES: 1/ Source: U.S. Department of Commerce, Bureau of Economic Analysis.
2/ Row 1 Col. B * Row 1 Col. E
3/ Row 1 Col. C * Row 1 Col. E
4/ Row 1 Col. D * Row 1 Col. E
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Row No.	A Year	B Capital Investment Completed	C Capital Investment Related to System Maintenance Completed	D	E Annual Inflation Factor (GDPPI) 1/	F Inflated Capital Investment Completed	G Inflated Capital Investment Related to System Maintenance Completed	H
			Replacements	Other Operations			Replacements	Other Operations
1	1994 - Actual	$41,335,366	$11,675,532	$2,732,421	NA	NA	NA	NA
2	1994 Inflated By 1995 GDPPI				1.020	$42,182,543 2/	$11,914,824 3/	$2,788,423 4/
3	1995 Inflated By 1996 GDPPI				1.019	$42,981,179 5/	$12,140,406 6/	$2,841,215 7/
4	1996 Inflated By 1997 GDPPI				1.017	$43,693,723 5/	$12,341,670 6/	$2,888,317 7/
5	1997 Inflated By 1998 GDPPI				1.011	$44,179,133 5/	$12,478,779 6/	$2,920,405 7/
6	1998 Inflated By 1999 GDPPI				1.014	$44,817,034 5/	$12,658,959 6/	$2,962,572 7/
7	1999 Inflated By 2000 GDPPI				1.022	$45,793,348 5/	$12,934,728 6/	$3,027,110 7/
8	2000 Inflated By 2001 GDPPI				1.024	$46,893,305 5/	$13,245,420 6/	$3,099,821 7/
9	2001 Inflated By 2002 GDPPI				1.017	$47,669,502 5/	$13,464,664 6/	$3,151,131 7/
10	2002 Inflated By 2003 GDPPI				1.018	$48,542,323 5/	$13,711,199 6/	$3,208,828 7/
11	2003 Inflated By 2004 GDPPI				1.022	$49,593,281 5/	$14,008,051 6/	$3,278,300 7/

NOTES: 1/ Source: U.S. Department of Commerce, Bureau of Economic Analysis.
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			Replacements	Other Operations			Replacements	Other Operations
1	1995 - Actual	$40,214,893	$6,643,926	$3,316,512	NA	NA	NA	NA
2	1995 Inflated By 1996 GDPPI				1.019	$40,976,276 2/	$6,769,714 3/	$3,379,303 4/
3	1996 Inflated By 1997 GDPPI				1.017	$41,655,583 5/	$6,881,943 6/	$3,435,325 7/
4	1997 Inflated By 1998 GDPPI				1.011	$42,118,350 5/	$6,958,397 6/	$3,473,490 7/
5	1998 Inflated By 1999 GDPPI				1.014	$42,726,496 5/	$7,058,869 6/	$3,523,643 7/
6	1999 Inflated By 2000 GDPPI				1.022	$43,657,269 5/	$7,212,643 6/	$3,600,404 7/
7	2000 Inflated By 2001 GDPPI				1.024	$44,705,916 5/	$7,385,891 6/	$3,686,886 7/
8	2001 Inflated By 2002 GDPPI				1.017	$45,445,907 5/	$7,508,145 6/	$3,747,912 7/
9	2002 Inflated By 2003 GDPPI				1.018	$46,278,014 5/	$7,645,618 6/	$3,816,536 7/
10	2003 Inflated By 2004 GDPPI				1.022	$47,279,949 5/	$7,811,148 6/	$3,899,165 7/

NOTES: 1/ Source: U.S. Department of Commerce, Bureau of Economic Analysis.
2/ Row 1 Col. B * Row 1 Col. E
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			Replacements	Other Operations			Replacements	Other Operations
1	1996 - Actual	$35,913,533	$7,720,601	$2,394,570	NA	NA	NA	NA
2	1996 Inflated By 1997 GDPPI				1.017	$36,508,910 2/	$7,848,594 3/	$2,434,267 4/
3	1997 Inflated By 1998 GDPPI				1.011	$36,914,500 5/	$7,935,786 6/	$2,461,310 7/
4	1998 Inflated By 1999 GDPPI				1.014	$37,447,508 5/	$8,050,371 6/	$2,496,849 7/
5	1999 Inflated By 2000 GDPPI				1.022	$38,263,281 5/	$8,225,744 6/	$2,551,242 7/
6	2000 Inflated By 2001 GDPPI				1.024	$39,182,365 5/	$8,423,326 6/	$2,612,523 7/
7	2001 Inflated By 2002 GDPPI				1.017	$39,830,928 5/	$8,562,753 6/	$2,655,766 7/
8	2002 Inflated By 2003 GDPPI				1.018	$40,560,226 5/	$8,719,535 6/	$2,704,393 7/
9	2003 Inflated By 2004 GDPPI				1.022	$41,438,368 5/	$8,908,316 6/	$2,762,944 7/

NOTES: 1/ Source: U.S. Department of Commerce, Bureau of Economic Analysis.
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			Replacements	Other Operations			Replacements	Other Operations
1	1997 - Actual	$45,161,844	$10,172,475	$4,318,887	NA	NA	NA	NA
2	1997 Inflated By 1998 GDPPI				1.011	$45,663,563 2/	$10,285,485 3/	$4,366,867 4/
3	1998 Inflated By 1999 GDPPI				1.014	$46,322,898 5/	$10,433,997 6/	$4,429,920 7/
4	1999 Inflated By 2000 GDPPI				1.022	$47,332,017 5/	$10,661,295 6/	$4,526,424 7/
5	2000 Inflated By 2001 GDPPI				1.024	$48,468,932 5/	$10,917,380 6/	$4,635,148 7/
6	2001 Inflated By 2002 GDPPI				1.017	$49,271,210 5/	$11,098,089 6/	$4,711,871 7/
7	2002 Inflated By 2003 GDPPI				1.018	$50,173,358 5/	$11,301,293 6/	$4,798,145 7/
8	2003 Inflated By 2004 GDPPI				1.022	$51,259,628 5/	$11,545,970 6/	$4,902,026 7/

NOTES: 1/ Source: U.S. Department of Commerce, Bureau of Economic Analysis.
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1	1998 - Actual	$38,863,794	$10,378,019	$2,219,611	NA	NA	NA	NA
2	1998 Inflated By 1999 GDPPI				1.014	$39,424,947 2/	$10,527,867 3/	$2,251,660 4/
3	1999 Inflated By 2000 GDPPI				1.022	$40,283,798 5/	$10,757,211 6/	$2,300,711 7/
4	2000 Inflated By 2001 GDPPI				1.024	$41,251,415 5/	$11,015,599 6/	$2,355,974 7/
5	2001 Inflated By 2002 GDPPI				1.017	$41,934,225 5/	$11,197,934 6/	$2,394,971 7/
6	2002 Inflated By 2003 GDPPI				1.018	$42,702,034 5/	$11,402,966 6/	$2,438,823 7/
7	2003 Inflated By 2004 GDPPI				1.022	$43,626,547 5/	$11,649,844 6/	$2,491,624 7/

NOTES: 1/ Source: U.S. Department of Commerce, Bureau of Economic Analysis.
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Row No.	A Year	B Capital Investment Completed	C Capital Investment Related to System Maintenance Completed	D	E Annual Inflation Factor (GDPPI) 1/	F Inflated Capital Investment Completed	G Inflated Capital Investment Related to System Maintenance Completed	H
			Replacements	Other Operations			Replacements	Other Operations
1	1999 - Actual	$67,672,862	$10,214,548	$13,826,372	NA	NA	NA	NA
2	1999 Inflated By 2000 GDPPI				1.022	$69,147,078 2/	$10,437,066 3/	$14,127,572 4/
3	2000 Inflated By 2001 GDPPI				1.024	$70,807,991 5/	$10,687,765 6/	$14,466,916 7/
4	2001 Inflated By 2002 GDPPI				1.017	$71,980,033 5/	$10,864,673 6/	$14,706,378 7/
5	2002 Inflated By 2003 GDPPI				1.018	$73,297,977 5/	$11,063,603 6/	$14,975,650 7/
6	2003 Inflated By 2004 GDPPI				1.022	$74,884,902 5/	$11,303,134 6/	$15,299,878 7/

NOTES: 1/ Source: U.S. Department of Commerce, Bureau of Economic Analysis.
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Row No.	A **Year**	B **Capital Investment Completed**	C **Capital Investment Related to System Maintenance Completed**	D	E **Annual Inflation Factor (GDPPI) 1/**	F **Inflated Capital Investment Completed**	G **Inflated Capital Investment Related to System Maintenance Completed**	H
			Replacements	**Other Operations**			**Replacements**	**Other Operations**
1	2000 - Actual	$33,736,573	$8,440,293	$355,511	NA	NA	NA	NA
2	2000 Inflated By 2001 GDPPI				1.024	$34,546,925 2/	$8,643,029 3/	$364,050 4/
3	2001 Inflated By 2002 GDPPI				1.017	$35,118,760 5/	$8,786,092 6/	$370,076 7/
4	2002 Inflated By 2003 GDPPI				1.018	$35,761,779 5/	$8,946,964 6/	$376,852 7/
5	2003 Inflated By 2004 GDPPI				1.022	$36,536,034 5/	$9,140,669 6/	$385,011 7/

NOTES: 1/ Source: U.S. Department of Commerce, Bureau of Economic Analysis.
2/ Row 1 Col. B * Row 1 Col. E
3/ Row 1 Col. C * Row 1 Col. E
4/ Row 1 Col. D * Row 1 Col. E
5/ Above Row Col. F * Above Row Col. E
6/ Above Row Col. G * Above Row Col. E
7/ Above Row Col. H * Above Row Col. E

Row No.	A Year	B Capital Investment Completed	C Capital Investment Related to System Maintenance Completed	D	E Annual Inflation Factor (GDPPI) 1/	F Inflated Capital Investment Completed	G Inflated Capital Investment Related to System Maintenance Completed	H
			Replacements	Other Operations			Replacements	Other Operations
1	2001 - Actual	$30,345,827	$8,350,584	$1,507,899	NA	NA	NA	NA
2	2001 Inflated By 2002 GDPPI				1.017	$30,848,124 2/	$8,488,806 3/	$1,532,858 4/
3	2002 Inflated By 2003 GDPPI				1.018	$31,412,948 5/	$8,644,235 6/	$1,560,925 7/
4	2003 Inflated By 2004 GDPPI				1.022	$32,093,049 5/	$8,831,386 6/	$1,594,719 7/

NOTES: 1/ Source: U.S. Department of Commerce, Bureau of Economic Analysis.
2/ Row 1 Col. B * Row 1 Col. E
3/ Row 1 Col. C * Row 1 Col. E
4/ Row 1 Col. D * Row 1 Col. E
5/ Above Row Col. F * Above Row Col. E
6/ Above Row Col. G * Above Row Col. E
7/ Above Row Col. H * Above Row Col. E

Row No.	A **Year**	B **Capital Investment Completed**	C **Capital Investment Related to System Maintenance Completed**	D	E **Annual Inflation Factor (GDPPI) 1/**	F **Inflated Capital Investment Completed**	G **Inflated Capital Investment Related to System Maintenance Completed**	H
			Replacements	**Other Operations**			**Replacements**	**Other Operations**
1	2002 - Actual	$30,172,843	$7,041,564	$877,677	NA	NA	NA	NA
2	2002 Inflated By 2003 GDPPI				1.018	$30,725,303 2/	$7,170,494 3/	$893,747 4/
3	2003 Inflated By 2004 GDPPI				1.022	$31,390,516 5/	$7,325,738 6/	$913,097 7/

NOTES: 1/ Source: U.S. Department of Commerce, Bureau of Economic Analysis.
2/ Row 1 Col. B * Row 1 Col. E
3/ Row 1 Col. C * Row 1 Col. E
4/ Row 1 Col. D * Row 1 Col. E
5/ Above Row Col. F * Above Row Col. E
6/ Above Row Col. G * Above Row Col. E
7/ Above Row Col. H * Above Row Col. E

Row No.	A Year	B Capital Investment Completed	C Capital Investment Related to System Maintenance Completed	D	E Annual Inflation Factor (GDPPI) 1/	F Inflated Capital Investment Completed	G Inflated Capital Investment Related to System Maintenance Completed	H
			Replacements	Other Operations			Replacements	Other Operations
1	2003 - Actual	$27,625,298	$7,792,356	$868,996	NA	NA	NA	NA
2	2003 Inflated By 2004 GDPPI				1.022	$28,223,395 2/	$7,961,063 3/	$887,810 4/

NOTES: 1/ Source: U.S. Department of Commerce, Bureau of Economic Analysis.
2/ Row 1 Col. B * Row 1 Col. E
3/ Row 1 Col. C * Row 1 Col. E
4/ Row 1 Col. D * Row 1 Col. E
5/ Above Row Col. F * Above Row Col. E
6/ Above Row Col. G * Above Row Col. E
7/ Above Row Col. H * Above Row Col. E

Row No.	A **Year**	B **Capital Investment Completed**	C **Capital Investment Related to System Maintenance Completed**	D	E **Annual Inflation Factor (GDPPI) 1/**	F **Inflated Capital Investment Completed**	G **Inflated Capital Investment Related to System Maintenance Completed**	H
			Replacements	**Other Operations**			**Replacements**	**Other Operations**
1	2004 - Actual	$36,629,575	$15,421,895	$1,261,053	NA	NA	NA	NA

NOTES: 1/ Source: U.S. Department of Commerce, Bureau of Economic Analysis.
2/ Row 1 Col. B * Row 1 Col. E
3/ Row 1 Col. C * Row 1 Col. E
4/ Row 1 Col. D * Row 1 Col. E
5/ Above Row Col. F * Above Row Col. E
6/ Above Row Col. G * Above Row Col. E
7/ Above Row Col. H * Above Row Col. E

SUMMARY - BSG CAPITAL SPENDING HISTORY
INFLATED TO SHOW CONSTANT DOLLARS

	Capital Investment Completed Annual % Change From Previous Year	Capital Investment Related to System Maintenance Completed Annual % Change From Previous Year	
		Replacements	Other Operations
2004	29.78%	93.72%	42.04%
2003	-10.09%	8.67%	-2.77%
2002	-2.19%	-17.05%	-42.74%
2001	-12.16%	-3.38%	314.20%
2000	-51.21%	-19.13%	-97.48%
1999	71.65%	-2.98%	514.05%
1998	-14.89%	0.90%	-49.17%
1997	23.70%	29.61%	77.42%
1996	-12.36%	14.05%	-29.14%
1995	-4.66%	-44.24%	18.94%
1994	-16.56%	-11.87%	-12.26%
1993	NA	NA	NA
Average	0.09%	4.39%	66.64%

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE D.T.E.

D.T.E. 05-12

Date: May 19, 2005

Responsible: Thomas R. Birmingham

DTE 1-8 Please refer to the Company's filing, Section Two, at 3. Recalculate the means and standard deviations shown in the table on "Unaccounted for Gas History" to exclude 2002-2003-2004 figures (i.e., recalculate the means and standard deviations for the period 1992-2001).

RESPONSE: Please see Attachment DTE 1-8, Line Numbers 15 and 16 for the requested information.

Attachment DTE 1-8

SUMMARY - BSG UNACCOUNTED FOR GAS HISTORY

(as reported in its Annual Report to the D.T.E. [1/])

Line No.	YEAR	Gas Accounted For (MCF)	Gas Unaccounted For (MCF)	% Gas Unaccounted For
1	2004 [2/]	63,538,630	435,819	0.68%
2	2003	68,345,875	967,263	1.40%
3	2002	68,773,728	-95,467	-0.14%
4	2001	63,345,695	-299,313	-0.47%
5	2000	38,941,581	383,435	0.98%
6	1999	38,155,282	-182,456	-0.48%
7	1998	52,287,702	-146,610	-0.28%
8	1997	55,426,325	1,121,343	1.98%
9	1996	52,763,777	-706,193	-1.36%
10	1995	57,600,907	705,443	1.21%
11	1994	51,625,599	119,910	0.23%
12	1993	51,213,177	1,322,942	2.52%
13	1992	51,964,578	1,040,155	1.96%
14	Mean 3/	54,921,758	358,944	0.63%
15	Mean 4/	51,332,462	335,866	0.63%
16	Standard Deviation 5/	7,024,718	622,610	1.17%

Notes:

1/ See Page 72, Lines 21-23 of the Company's Annual Report to the D.T.E. for this information.

2/ The Company's current Annual Report to the D.T.E. is not available at the time of this filing. Accordingly, the Company used an internal report (i.e., Schedule 26) for this information.

3/ The Mean is calculated using all data reported.

4/ The Mean is calculated using data reported for the period 1992 - 2001.

5/ The Standard Deviation is calculated using data reported for the period 1992 - 2001.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE D.T.E.

D.T.E. 05-12

Date: May 19, 2005

Responsible: Thomas R. Birmingham

DTE 1-9 Please refer to the Company's, Section Two, at 4.

(a) Please explain the differences between the staffing levels reported in DTE 03-10 and DTE 04-12 from the staffing levels presented in the current filing for the period starting 1993. Please refer to Table A below.
(b) Please draw a graph showing the BSG total full-time employees and BSG total part-time employees over time. Please discuss the negative trend and specify the causes of the overall reduction of the staffing level since 1993.
(c) Break down the staffing levels presented in the table on "Staffing History" by job category/job classification for the period 1993-2004 for both full-time and part-time employees.

Table A: Full-time and Part-time Staffing levels reported in DTE 03-10, DTE 04-12, and DTE 05-12

Year	DTE 03-10	DTE 04-12	DTE 05-12
1993	1028 (0)	1028 (0)	889 (0)
1994	1023 (49)	1023 (49)	887 (41)
1995	1036 (26)	1036 (26)	900 (26)
1996	1031 (0)	1031 (0)	875 (0)
1997	920 (57)	920 (57)	789 (44)
1998	950 (52)	950 (52)	815 (46)
1999	911 (26)	911 (26)	782 (25)
2000	853 (23)	853 (23)	735 (22)
2001	781 (20)	781 (20)	671 (19)
2002	622 (13)	622 (13)	532 (12)
2003		592 (24)	504 (23)
2004			545 (23)

RESPONSE:

(a) The difference between the staffing levels reported in D.T.E. 03-10 and D.T.E. 04-12 versus D.T.E. 05-12 reflects, as indicated in

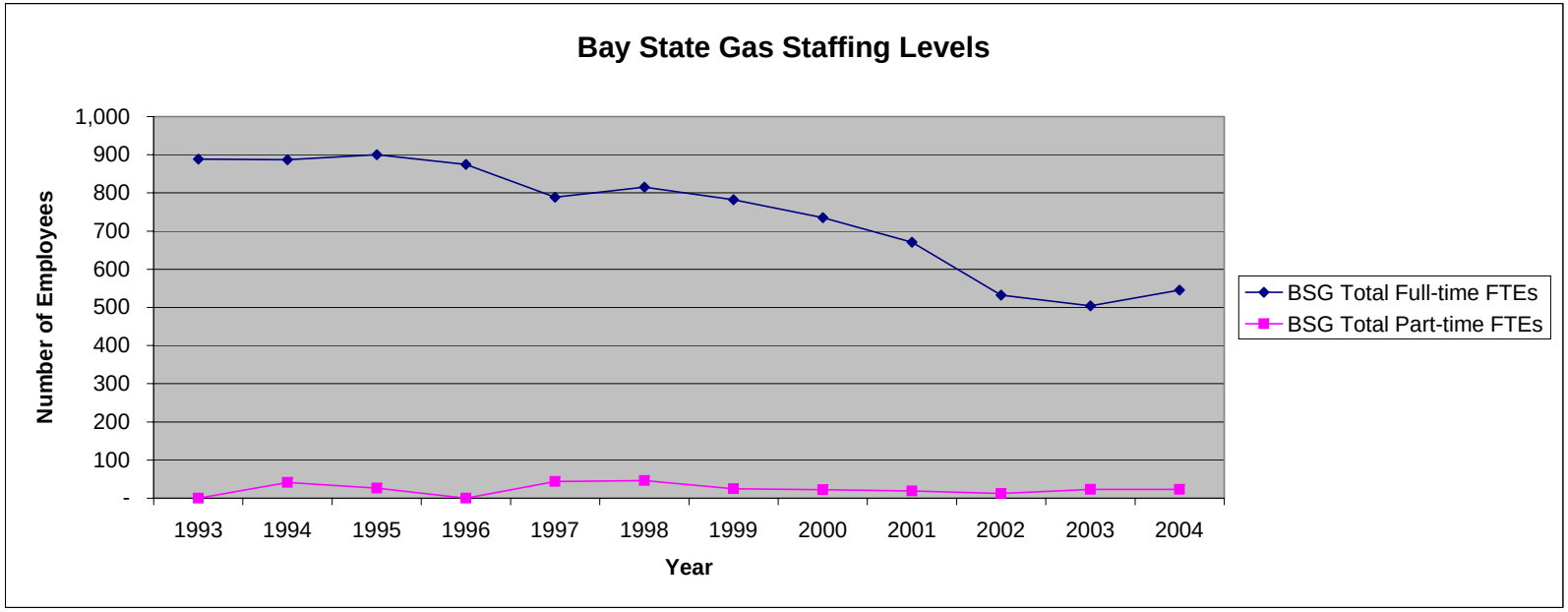
footnote 1 for each reporting year, the difference between including Northern Utilities employees in the first two reporting years and excluding them in the third reporting year. As Bay State prepared its FY 2004 SQ Report, it determined that it was more representative to only report Bay State's full and part-time employees.

(b) Please see Attachment DTE 1-9 for a chart showing the BSG total full-time employees and BSG total part-time employees between 1993 and 2004. The trend reflects a combination of factors, including, but not limited to, (1) improved operational efficiency, including the deployment of new technologies and techniques, and (2) corporate restructuring, including the movement of a number positions from Bay State Gas Company to third party vendors such as NiSource Corporate Services Company. As indicated in the Company's response to DTE 1-3, this trend has had no negative impact on the Company's service quality performance. In fact, in 2004 the Company has been able to achieve its highest performance levels in five of its eight penalty measures when compared to its performance over the past several years.

(c) The Company is currently unable to provide a break down of the staffing levels by job category/job classification for the period 1993-2004 for both full-time and part-time employees. This type of information is not readily available as part of the Company's payroll records. The Company will continue to investigate an efficient and effective means for compiling this data, and will forward any additional information, if available, as soon as possible.

Attachment DTE 1-9

BAY STATE GAS COMPANY STAFFING HISTORY
FULL TIME AND PART TIME REGULAR EMPLOYEES
DECEMBER 31, 1993 TO DECEMBER 31, 2004



COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE D.T.E.

D.T.E. 05-12

Date: May 19, 2005

Responsible: Thomas R. Birmingham

DTE 1-10 Please provide electronic versions of all responses, including calculations and worksheets together with your responses.

RESPONSE: Electronic versions of all responses is being filed on a compact disc included with the Company's filing.